

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 OES-07 SS-15 SSO-00 NRC-05
EURE-00 ACDA-07 CIAE-00 INR-07 L-03 NSAE-00
NSC-05 EB-07 FEAE-00 DODE-00 ERDA-05 NSCE-00
INRE-00 PM-04 /091 W
-----161707Z 021710 /43

O R 161555Z MAY 77
FM AMEMBASSY BELGRADE
TO SECSTATE WASHDC IMMEDIATE 630
INFO USMISSION IAEA VIENNA IMMEDIATE
AMCONSUL ZAGREB

C O N F I D E N T I A L BELGRADE 3146

E.O. 1165-: GDS
TAGS: TECH, ENRG, MNUC, IAEA, YO, US
SUBJECT: KRSKO

REF: STATE 109367

1. TEXT OF LETTER DATED MAY 12, 1977 FROM FSFA SECRETARY MINIC
TO SECRETARY VANCE IS GIVEN IN PARA 2. GOY OFFICIAL (KOSTIC)
PROMISED TO SUPPLY TEXT OF FSFA STATEMENT TO THE IAEA AS SOON
AS IT IS READY, PROBABLY BY MAY 17.

2. QUTOE. DEAR MR. SECRETARY OF STATE:
I HAVE CONSIDERED WITH ATTENTION YOUR LETTER AND THE ATTACHED
MEMORANDUM RELATING TO THE POLICY OF THE GOVERNMENT OF THE
UNITED STATES IN THE FIELD ON NON-PROLIFERATION OF NUCLEAR
WEAPONS AND THE SUGGESTIONS CONCERNING THE KRSKO NKLEAR
POWER PLANT.
WE HAVE BEEN FOLLOWING WITH KEEN INTEREST THE EFFORTS OF THE
GOVERNMENT OF THE UNITED STATES AND PRESIDENT CARTER PERSONALLY,
AIMED AT PREVENTING THE PROLIFERATION OF NUCLEAR WEAPONS AND
HALTING THE NUCLEAR ARMS RACE. YUGOSLAVIA ATTACHES EXCEPTIONAL IM-
PORTANCE TO ALL THE ASPECTS OF NECLEAR PROBLEMS. IT HAS
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EXERTED ACTIVE EFFORTS NOT ONLY FOR THE PREVENTION OF
PROLIFERATION, BUT ALSO FOR A TOTAL PROHIBITION OF NUCLEAR
WEAPONS. REGRETTABLY, WE CANNOT BUT OBSERVE THAT THE ACHIEVED
RESULTS TOWARD THAT END ARE NOT SATISFACTORY AND THAT THE
INTERNATIONAL COMMUNITY, AND PRIMARILY THE NUCLEAR-WEAPONS
STATES, MUST EXERT ADDITIONAL SUBSTANTIAL EFFORTS IN ORDER TO
COMMENCE REAL NUCLEAR DISARMAMENT.

YUGOSLAVIA IS ALSO CONCERNED ABOUT THE FACT THAT THERE HAVE EMERGED SERIOUS DIFFICULTIES AND A LAGGING BEHIND IN THE TRANSFER OF NUCLEAR TECHNIQUES AND TECHNOLOGY TO NON-NUCLEAR COUNTRIES WITH THE AIM OF THEIR USE FOR PEACEFUL PURPOSES.

AS IT IS KNOWN, YUGOSLAVIA HAS BEEN ACTIVELY PARTICIPATING IN ALL ACTIVITIES OF THE UNITED NATIONS, THE INTERNATIONAL ATOMIC ENERGY AGENCY AND OF OTHER INTERNATIONAL ORGANIZATIONS CONCERNED WITH THE QUESTION OF THE PEACEFUL USES OF NUCLEAR ENERGY AND, ESPECIALLY WITH THE TRANSFER OF NUCLEAR TECHNOLOGY UNDER INTERNATIONAL SAFEGUARDS?

IT IS KNOWN THAT YUGOSLAVIA HAS ORIENTED ITSELF SERIOUSLY, AS HAVE DONE NUMEROUS OTHER COUNTRIES, TO TAKE ADVANTAGE OF THE BENEFITS OFFERED BY THE CONTEMPORARY NUCLEAR SCIENCE, ESPECIALLY IN THE FIELD OF THE APPLICATION OF NUCLEAR ENERGY FOR POWER GENERATING PURPOSES AND, IN GENERAL, FOR A SWIFTER DEVELOPMENT OF PRODUCTION FORCES.

GUIDED BY THESE AIMS WE HAD TAKEN THE DECISION, SOME TIME AGO, TO BUILD THE FIRST NUCLEAR POWER PLANTS IN YUGOSLAVIA AND TO CHOOSE THE UNITED STATES OF AMERICA AS OUR PARTNER, BEARING IN MIND THE HIGH TECHNICAL LEVEL, THE QUALITY AND THE SOLIDITY OF AMERICAN FIRMS. IN KEEPING WITH THE PROVISIONS OF THE EXISTING INTERNATIONAL AGREEMENTS, THE YUGOSLAV ENTERPRISES HAVE CONCLUDED AGREEMENTS WITH USA FIRMS (WESTINGHOUSE AND EXPORT-IMPORT BANK) FOR THE CONSTRUCTION OF THE KRSKO NUCLEAR POWER PLANT. IT IS NOT DIFFICULT TO ESTABLISH THAT THERE DOES NOT EXIST A SINGLE MATERIAL OR FORMAL BREACH OF THESE AGREEMENTS, WHICH COULD BE TAKEN AS A VALID REASON FOR THE NONISSUANCE ON THE PART OF THE GOVERNMENT OF THE UNITED

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STATES OF THE EXPORT LICENSES FOR EQUIPMENT AND FUEL FOR THE KRSKO NUCLEAR POWER PLANT. HOWEVER, THESE ISSUES HAVE BEEN EXPOUNDED IN GREAT DETAIL, BY THE YUGOSLAV SIDE TO THE AMERICAN SIDE IN THE COURSE OF THE TALKS HELD SO FAR BETWEEN YBLR AND MY ASSOCIATES. WE HAVE ALSO HAD THE OPPORTUNITY TO GET INFORMED IN DETAIL ABOUT THE PRESENT PREOCCUPATION OF THE GOVERNMENT OF THE UNITED STATES REGARDING THE PROBLEMS IMPOSED BY NUCLEAR ENERGY TO THE WORLD TO-DAY, WHICH HAS MADE IT EASIER FOR US TO GET MUTUALLY BETTER ACQUAINTED WITH THIS MATTER, INCLUDING ALSO THE ISSUES THAT HAVE ARISEN IN CONNECTION WITH THE KRSKO NUCLEAR POWER PLANT. WE HAVE RECEIVED WITH PLEASURE YOUR PROPOSAL CONCERNING THE SENDING OF A USA TEAM TO BELGRADE WITH VIEW TO FINDING A SOLUTION FOR THE KRSKO NUCLEAR POWER PLANT.

I SHOULD LIKE TO POINT OUT THAT IN TRYING TO FIND A MUTUALLY ACCEPTABLE SOLUTION, WE HAVE ACCEPTED YOUR SUGGESTIONS CONCERNING THE REAFFIRMATION OF THE COMMITMENTS UNDERTAKEN PREVIOUSLY BY THE SFR OF YUGOSLAVIA WITH RESPECT TO THE CONSTRUCTION OF THE KRSKO NUCLEAR POWER PLANT. WE SHALL NOTIFY THIS FACT BY A NOTE TO BE SENT BY THE FEDERAL SECRE-

TARIAT FOR FOREIGN AFFAIRS TO THE INTERNATIONAL ATOMIC ENERGY AGENCY.

FURTHERMORE, THE GOVERNMENT OF THE SFR OF YUGOSLAVIA IS READY TO ENTER, IN THE NEAR FUTURE, INTO NEGOTIATIONS WITH THE UNITED STATES AIMED AT ELIMINATING THE DIFFICULTIES REGARDING THE DISPOSITION OF FUEL IRRADIATED IN REACTOR OF THE KRSKO NUCLEAR POWER PLANT, WITHIN THE FRAMEWORK OF THE EXISTING INTERNATIONAL AGREEMENTS AND FUTURE MULTILATERAL AGREEMENTS WHICH WOULD REGULATE THIS MATTER.

WE EXPECT THAT THE GOVERNMENT OF THE UNITED STATES WILL SWIFTLY AUTHORIZE THE ISSUANCE OF EXPORT LICENCES FOR THE DELIVERY OF THE EQUIPMENT FOR THE KRSKO NUCLEAR POWER PLANT, SO THAT THE PROGRAMME OF CONSTRUCTION OF THIS NUCLEAR POWER PLANT WOULD NOT BE FURTHER AFFECTED ADVERSELY AND UNNECESSARILY.

MY ASSOCIATES HAVE EXCHANGED VIEWS WITH YOUR TEAM ALSO ON OTHER ISSUES CONNECTED WITH THE PEACEFUL USES OF NUCLEAR ENERGY, AND WE CONSIDER IT VERY USEFUL AND DESIRABLE THAT
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SIMILAR CONTACTS AND EXCHANGES OF VIEWS BE CONTINUED ALSO IN THE FUTURE.

I AVAIL MYSELF OF THIS OPPORTUNITY, MR. SECRETARY OF STATE, TO EXPRESS MY SATISFACTION WITH THE PRESENT RELATIONS EXISTING BETWEEN THE UNITED STATES OF AMERICA AND THE SFR OF YUGOSLAVIA AND MY CONVICTION THAT ALSO THROUGH THIS FIRST STEP TOWARD THE SOLUTION OF THE KRSKO NUCLEAR POWER PLANT PROBLEM, AN IMPORTANT CONTRIBUTION WILL BE MADE TO CREATING EVEN MORE FAVORABLE CONDITIONS FOR THE FURTHER DEVELOPMENT OF CO-OPERATION BETWEEN OUR TWO COUNTRIES.

SINCERELY YOURS,

(S) MILO MINIC

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXT, NUCLEAR PROLIFERATION, NPT, DIPLOMATIC COMMUNICATIONS, EXPORT LICENSES, NUCLEAR POWER PLANTS
Control Number: n/a
Copy: SINGLE
Sent Date: 16-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BELGRA03146
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770173-0492
Format: TEL
From: BELGRADE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770555/aaaabuxt.tel
Line Count: 153
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2e314693-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 109367
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2511356
Secure: OPEN
Status: NATIVE
Subject: KRSKO
TAGS: TECH, ENRG, MNUC, YO, US, IAEA, (VANCE, CYRUS R), (MINIC, MILOS)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/2e314693-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009